



July 19, 2013

**CONFIDENTIAL**

**Via E-Mail (lgliha@hl.com)**

Lee Ann Gliha  
Head of Media  
Houlihan Lokey  
10250 Constellation Boulevard, 5<sup>th</sup> Floor  
Los Angeles, CA 90067

Re: Acquisition of the Maxim Business from Alpha Media Group, Inc. and its  
Subsidiaries and Affiliates

Dear Madam:

Thank you for the opportunity to express our interest in acquiring (the "**Acquisition**") the Maxim brand, certain other brands and certain other assets relating to the publication of Maxim magazine in printed and digital editions, certain printed and digital special interest publications, Maxim.com and partner websites, video and video game applications, mobile applications, Maxim franchises, Maxim events, certain related products and services and associated intellectual property and licensing, marketing and promotional activities (collectively, the "**Business**") held by Alpha Media Group, Inc. and its subsidiaries and affiliates (collectively, "**AMG**"). This letter (this "**Letter**") confirms the intent of The Reign Entertainment Group, LLC and its affiliates (collectively, "**Darden Media**"), through, a subsidiary of Darden Media Group, LLC, a to-be-formed Delaware LLC ("**Newco**"), to acquire all of the Business, subject to, among other things, the conditions set forth in this Letter.

**I. Purchasing Entity**

Newco will be a Delaware limited liability company controlled by Darden Media. We confirm that Darden Media and Newco are acting as principals for their own account and not as a broker or agent for any third party.

**II. Purchase Price**

Based upon our review of the information that has been made available to us to date, Newco is prepared to pay a purchase price in cash at the closing of Thirty One Million Dollars (\$31,000,000) (the "**Purchase Price**"), subject to the negotiation and execution of definitive documentation (the "**Definitive Documents**") and the satisfaction and waiver of the conditions contained therein. Our Purchase Price assumes that the Acquisition is on a cash-free and debt-free basis and was determined using a blend of different valuation methodologies given the recent historical performance of the Business.

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### **III. Source of Funds**

We have previously supplied a letter from Merrill Lynch confirming the availability to Darden Media's controlling parties of funds sufficient to consummate the Acquisition.

### **IV. Plans with Respect to Management**

We plan to offer employment to all of the management of the Business on terms and conditions substantially similar to those currently in place.

### **V. Due Diligence**

Our proposal is not subject to any further due diligence items; provided, however, we have ordered updated lien searches and trademark searches in order to confirm AMG's ownership of, and ability to transfer, certain trademarks. These searches will not impact our ability to close the Acquisition in a timely fashion as we expect to receive the results next week and do not expect our results to differ materially from the information which has been made available to us.

### **VI. Conditions**

There are no material preconditions (other than customary conditions specified in the Definitive Documents) to our entering into the Definitive Documents and consummating the Acquisition; provided, however, that, subject to the acceptance by AMG of the proposal in this Letter, we would like to enter into a mutually agreeable exclusivity agreement with AMG for a limited period of time with respect to the Acquisition.

### **VII. Timing to Closing**

We anticipate that we will be able to execute and deliver the Definitive Documents on or before August 9, 2013 and that we would be able to consummate the Transaction on or before September 6, 2013. In order to provide greater comfort to AMG and the Advisors regarding the certainty of closing, we plan to secure transaction liability insurance to de-risk the transaction; provided, however, that our bid is not contingent or dependent upon our ability to secure such insurance.

### **IX. Key Contacts**

You may feel free to contact Calvin R. Darden, Sr., Managing Member of Darden Media, at (212) 634-9952, or our attorney, Harvey Newkirk of Bryan Cave LLP, at (212) 541-1199, to discuss this Letter and related matters.

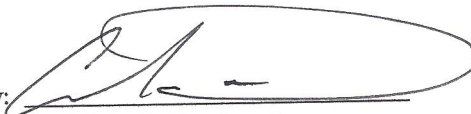
This Letter is not intended to, and will not be deemed to, create a binding contract or agreement, or impose upon any party any legally binding and enforceable obligation to any other party, including without limitation any obligation to enter into definitive documentation or to consummate the Acquisition.

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We understand that the process of a sale of a company can be quite taxing on the subject business and the individuals employed by such business. We believe that speed of execution and confidentiality are extremely important. As such, our cohesive acquisition team is prepared to complete the Acquisition in as expeditious a manner as possible. We are excited about the prospect of acquiring the Business and we look forward to your response. If you have any questions or comments, please feel free to contact us.

Sincerely yours,

The Reign Entertainment Group, LLC

By:   
Name: Calvin R. Darden, Sr.  
Title: Managing Member

Attachment

cc: Barbara Laurence  
StarBright Media, LLC

Harvey K. Newkirk  
Bryan Cave LLP